

**OFFICE OF THE MAYOR
CITY AND COUNTY OF HONOLULU**

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KIRK CALDWELL
MAYOR

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MANAGING DIRECTOR

GEORGETTE T. DEEMER
DEPUTY MANAGING DIRECTOR

October 30, 2018

The Honorable Ernest Y. Martin, Chair
Committee on Legislative Matters
and Members
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawaii 96813

Dear Chair Martin and Councilmembers:

SUBJECT: Bill 42 (2017) – Funding for Transit
Resolution 18-127 – General Obligation Bonds
Resolution 18-132 – General Obligation Bonds
Resolution 18-237 – Agreement with the Honolulu
Authority for Rapid Transportation (“HART”)

Thank you for this opportunity to testify on Bill 42 and three resolutions that are required to resolve the imminent funding challenges facing rail.

As you are aware, on October 26, 2018 the Acting Administrator of the U.S. Department of Transportation Federal Transit Administration sent letters to both the Mayor and Council Chair stating they have exercised considerable patience and that they expect the City to comply with the Recovery Plan that was approved by the City Council by resolution on October 6, 2017 asserting that the City would provide \$20 million in funding towards the project in HART’s fiscal year 2018 budget and an additional \$24 million in funding towards the project in FY 2019 for a total of \$44 million. The letter further states that “timely actions demonstrating commitment to the Recovery Plan are vital, as that plan is predicated on the project ultimately receiving a total of \$214 million in City funds.”

The approval of these rail funding related measures before the Committee on Legislative Matters, as well as subsequently at the special meeting of the City Council are paramount to continued Federal funding of the rail project. The Mayor appreciates the Council Chair’s action to address these previously stalled measures.

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The Administration, through Budget and Fiscal Services Director Nelson Koyanagi has forwarded proposed language for Bill 42 (October 18, 2018), Resolution 18-127 (June 15, 2018), and Resolution 18-237 (October 22, 2018). We strongly advise that you favorably consider the Administration's language because each has been thoroughly vetted by both City Corporation Counsel and the City's Bond Counsel. Approval by the Corporation Counsel and Bond Counsel are paramount for bond sales to occur.

In summary, the Administration urges this Committee and the Full Council to adopt Bill 42 and Resolutions 18-127, 18-132 and 18-237, in the forms as proposed by the Administration.

Mahalo for your consideration of our request.

Warm regards,

A handwritten signature in blue ink, reading "Roy K. Amemiya, Jr." with a stylized flourish at the end.

Roy K. Amemiya, Jr.
Managing Director